ANNUAL REPORT FY 2002



USAID/Ecuador

March 1, 2002

The attached results information is taken from the USAID/Ecuador FY 2002 Annual Report. The Annual Report is a "pre-decisional" USAID document and does not reflect results of USAID budgetary reviews. Additional information on the attached can be obtained from Abdul Wahab, LAC/SPO, USAID/Washington and Mike Yates, USAID/Ecuador, Office of Strategic Development. Related document information can be obtained from:

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PART III: PERFORMANCE NARRATIVE

518-001: Environment

Ecuador offers truly unparalleled opportunities for biodiversity conservation. With less than one-fifth of one percent of the earth's land area, Ecuador is home to 18% of the world's bird and orchid species, 10% of its amphibians and 8% of its mammals. Sitting right in the middle of the Tropical Andes biodiversity "hotspot," reportedly the richest and most diverse hotspot on earth, Ecuador is without question a top priority for global conservation.

Achievements

This diversity is threatened by Ecuador's high levels of poverty, powerful special interest groups, and increasing instability in the northern border region. Nevertheless, SO1 is meeting expectations by helping to conserve substantial areas of globally significant habitat. For example, in 2001 1.4 million hectares (an area roughly two-thirds larger than Yellowstone National Park) were better managed with USAID's support through regulatory reform and implementation of participatory natural resource management plans. This is helping poor rural communities to wisely manage the natural resources they rely on for survival, and effective training of community park guards, paralegals and parabiologists is helping to make these efforts sustainable. NGO capacity-building has played an important role in this success, and by 2001 SO1's five local implementation partners met 100% of their targets for improved administrative and financial capability (e.g. acting Board of Directors, accurate financial reporting) and leveraged almost \$7 million in non-USAID funds (e.g., from the Liz Claiborne and MacArthur Foundations) to support their efforts. Targets for the development of improved policies, legal frameworks and science-based regulations were also exceeded, with several of these playing key roles in reducing the often violent conflict associated with management of the Galapagos Marine Reserve. The biologically rich Reserve (the focus of USAID/Ecuador's efforts in the Galapagos) was declared a UNESCO World Heritage Site in December 2001, a landmark victory for conservation and USAID. USAID also helped lay solid foundations for development of community-based ecotourism on Isabela Island, Galapagos, in order to provide local residents with economically viable and environmentally sustainable alternatives to destructive over-fishing.

Major Challenges

USAID/Ecuador has faced several challenges in achieving these results. For example, in 2001 the commercial tuna sector challenged the constitutionality of the Galapagos Special Law establishing the Marine Reserve, anxious to have this rich area opened to commercial fishing. Armed with the results of its USAID-financed scientific research, the Charles Darwin Foundation (a key USAID partner) was able to marshal powerful arguments before Ecuador's Constitutional Court that demonstrated the critical importance of the Reserve to the Galapagos' biological diversity and the serious threat that commercial tuna fishing within its waters implied (in particular through heavy by-catch of endangered and/or charismatic non-target species such as sea lion, shark, turtle and albatross). In what is now widely regarded as a watershed event in the history of Galapagos conservation, the judges voted 8 to 1 in favor of upholding the Special Law.

Nevertheless, Ecuador's politically powerful tuna interests continue to press hard to fish within the Reserve. This issue received greater visibility in recent months with bilateral discussions on a new Andean Trade Preferences Act (ATPA). While the GOE is anxious to include tuna in such an agreement USAID/Ecuador, with the broader U.S. Embassy team, is developing a strategy to minimize the risk increased tuna exports to the U.S. might covey to the Galapagos' biological diversity. Specifically, we are working to provide equipment (e.g., patrol boats and radar, with planned technical support from the U.S. Department of the Interior) to strengthen the Galapagos National Park's weak monitoring and patrolling capabilities for the Reserve. This should reduce the incidence of illegal fishing and help conserve critical biological diversity as Ecuador's tuna sector grows, generating more needed jobs and income. At the

same time, the equipment will also enhance Ecuador's ability to monitor and address the movement of precursor chemicals, drugs and illegal immigrants through the isolated Galapagos Islands.

Another challenge is the serious security situation along Ecuador's northern border, placing some of the hemisphere's most important biological diversity at risk. In response, USAID/Ecuador implemented a series of actions to help stabilize these rich habitats. For example, a land titling and registration system was developed for two cantons bordering Colombia. This will allow these municipalities to enhance their tax base and also discourage illegal colonization and habitat conversion (important concerns given the cross-border movement of Colombians into Ecuador). USAID and the World Wildlife Fund are now helping the Awa indigenous people to better protect and manage their indigenous territory on the border with Colombia (with perhaps the best remaining primary tropical forest in the Choco biodiversity hotspot). Support is also being provided to the Cofan people under SpO13 to delimit a portion of their indigenous territory in the northern border province of Sucumbios, an essential step in discouraging illegal colonization and conflict. Finally, the Mission is coordinating with the Wildlife Conservation Society (under the centrally-funded Living Landscapes Program) to provide assistance to the Huaorani people living in the Yasuni Biosphere Reserve in Ecuador's Amazon Basin. These groups all represent some of the poorest populations in the country but offer outstanding opportunities for biodiversity conservation action consistent with the goals of the Andean Counterdrug Initiative. Additional support to indigenous peoples in this region is anticipated with a revised SO1 program, to be competitively procured in FY 02.

Finally, USAID/Ecuador is using the results of a recent external evaluation to guide revision of its Environment strategy. In addition to expanding efforts in the Galapagos and with indigenous peoples to help stabilize the northern border provinces, SO1 will build on the earlier Condor Bioreserve initiative with The Nature Conservancy to enhance protection of Quito's watershed. This region provides up to 70% of Quito's water supply, though demand continues to escalate and adequate water provision is essential for Quito's economic and social development. In addition, the watershed embraces five of the country's most important parks and protected areas and reportedly has the highest concentration of biological diversity in the hemisphere. Further development of innovative financing mechanisms to support long-term conservation will be basic to this effort. The SO1 team will also contract a final evaluation of the SUBIR activity, in order to better inform current implementation of the Southern Border program (following many of the components of the SUBIR model, with the same implementation partner) and future environmental programming. With these efforts SO1 will focus more directly on helping to conserve some of the world's richest biological diversity while also supporting Ecuador's economic and social growth. Given the country's current circumstances, these kinds of broader benefits are especially important.

518-002: Family Planning/Maternal Child Health

This SO was scheduled for phase-out at the end of FY 2000, after nearly 3 decades of USAID support to the sector. However, a one-year limited extension of the family planning elements of SO2 through FY 2001 was approved on October 15, 1999, in order to consolidate sustainability efforts for the two largest family planning NGOs in Ecuador, the Association for Ecuadorian Family Well Being (APROFE) and Medical Center for Orientation and Planning (CEMOPLAF). The challenges to sustainability were daunting, as during 1999-2000 both partner NGOs had to overcome the effects of the nation's severe financial crisis (the worst in Latin America) and a Congressional hold on the Mission's population activities throughout 2000. These circumstances threatened to erode the important sustainability/cost recovery accomplishments the Mission had worked hard to promote, particularly among NGO family planning clinics. In fact, these organizations' commitments to overcome these obstacles, together with USAID/Ecuador and targeted field support projects, fully succeeding in meeting this challenge. As of September 2001, both organizations are stronger institutionally, financially and technically than ever before, **meeting or exceeding expectations** for cost recovery, provision of quality family planning services, and institutional sustainability.

Achievements

Cost Recovery: Targets were met or exceeded despite the severe financial conditions of the country, with an average of over 90% for APROFE and CEMOPLAF. Cost recovery levels of both NGOs continued to increase in 2001, and their sustainability funds, set up to support the organizations after USAID phase-out on September 30, 2001, reached \$5,150,000 for APROFE and \$3,365,720 for CEMOPLAF. The difference in these amounts reflects the difficult challenges to sustainability, as CEMOPLAF's fund was maintained in local currency (sucres) deposited in local banks. High devaluation of the sucre and the GOE's freezing of bank accounts negatively affected their sustainability fund, while APROFE had most of its funds in dollar accounts in more secure banks.

Family Planning Services: During the years of USAID support the total fertility rate in Ecuador decreased from 6.2 in 1970 to 3.3 in 1999. At the same time the prevalence of contraceptive use increased from the 1979 level of 33.6% of women in union using a method, to 66.3% in 1999, with the most notable gains over the life of the SO among populations served by APROFE and CEMOPLAF. Importantly, CEMOPLAF made specific inroads in the hard to reach and poor indigenous populations, while APROFE strongly increased its community-based distribution systems to poor urban populations. One of the indicators that best illustrates the improved access in family planning services provided by APROFE and CEMOPLAF is Couple Years of Protection (CYPs), which increased from 279,117 in 1994 to 706,017 in FY 2000, with a slight decrease in FY 2001 (in part reflecting the organizational shift in emphasis to sustainability, rather than prioritizing expansion of family planning services). Family planning clients of APROFE and CEMOPLAF contributed importantly to the country's steadily increasing contraceptive prevalence rate and declining fertility rate. Both family planning NGOs significantly increased their emphasis on improved marketing of broader reproductive health services such as medical care, laboratory and diagnostic services with greater cost recovery potential. CEMOPLAF in particular was encouraged to strengthen its clinic services and financial management, and give less emphasis to the sales of USAID-donated condoms and pills to retail pharmacies (this latter generating large CYP totals in the past). These NGOs contributed significantly to the private sector's important role in provision of services, with surveys showing that over 61% of family planning users in Ecuador obtain their services from private sources. APROFE and CEMOPLAF clinics are important delivery points, but they also help supply hundreds of private sector pharmacies and community retail outlets and doctors with contraceptive supplies.

Institutional Strengthening: A major focus of USAID support in 2001 was management improvement, especially financial but also human resources, communications and marketing and clinical quality improvement. Together with direct Mission TA, our field support partners Johns Hopkins U/PCS; JHPIEGO and DELIVER/JSI made major contributions to improving management systems in APROFE and CEMOPLAF in 2002, and these in turn will have important long-term impacts on their organizational efficiency and sustainability. USAID has clearly made major contributions to increasing access to voluntary family planning services in Ecuador, and has left behind important institutional capabilities through two successful and sustainable NGOs.

518-011: Ecuador-Peru Border Development

This program aims to improve the quality of life, democratic governance and develop healthy cross-border linkages in a region which, until recently, experienced over 150 years of often bloody border conflict. Overall, this SpO is **meeting expectations**, laying a solid foundation for improved living conditions in one of Ecuador's poorest regions while forming integrated linkages with neighboring Peruvian communities. Democratic principles permeate the implementation methodology as USAID is helping to make local governments work, building citizen confidence in representative democratic institutions and practices. Plans were developed in FY 2001 for formal bi-national coordination and linked cross-border activities, and implementation began in earnest in early in FY 2002 with a cross-border

planning meeting of Ecuador's and Peru's Ambassadors to the Bi-national Commission, USAID/Ecuador and USAID/Peru staff, and local experts from both countries. These efforts will contribute importantly to consolidating the post-conflict peace process.

This program was developed in support of the Ecuador-Peru Peace Accords of October 1998 and began with an initial USG effort of \$1.5 million. Then, based on the \$20 million USG Consultative Group pledge of April 2000, a second and expanded phase of the program began in March 2000. Fulfillment of the USG's pledge is critical to solidifying economic growth, improved health and cross-border peace in the southern border region. Phase two expands potable water and sanitation work and adds components in income generation, natural resource management and local government strengthening. Accomplishments to date represent a significant contribution for the improvement of social and economic conditions of poor beneficiaries living along the border. While expenditures were less than planned and some indicator targets were not met, USAID/Ecuador is convinced that an unbiased observer, looking at the target/achievement record, would conclude that the SO was making progress. No adjustments are therefore contemplated and recent implementation monitoring indicates that financial and indicator targets for FY 2002 will be met.

Achievements

By the end of FY 2001, 182,612 of the target of 199,315 people along the southern border benefited by participating in income generation activities, access to social services, adoption of improved natural resources management practices and/or more effective local governments. The target number of credit entities created and the number of water, sanitation and solid waste systems developed or improved were achieved. However, the total number of planned beneficiaries was not. This was mainly due to the need to redesign the income generation component and to the selection of smaller, but more visible, communities for the rehabilitation of potable water and sanitation systems.

Income generation opportunities enhanced: 120 communal credit entities have been established and are operating, learning how to manage credit needs and democratic decision-making. However, the target number of beneficiaries of agricultural and productive loans was not reached due to late implementation of this component. Two factors contributed to this delay. First, there was a major redesign of the income generation component, recommended by USAID on the basis of an external evaluation of its earlier microfinance SpO. Now more institutions can participate, benefiting a larger number of small and microentrepreneurs with loans over the program's life and beyond. Second, the late arrival of rains delayed the number of loan disbursements for agricultural activities. Early in FY 2002, four local financial organizations began to provide production loans.

Social Infrastructure: 17 potable water systems were rehabilitated, providing clean water to 8,307 people of the planned 15,275 target and contributing to improved maternal and child health and reduced threat of infectious diseases. However, systems for larger communities are being constructed in FY 2002, and the original cumulative FY 2002 target number of beneficiaries will be reached. For each system, a locally elected Water Management Board is in place and trained on its sustainable management. Follow-up support is being provided to these Boards to assure that appropriate decisions, particularly those related to financial and operational sustainability, are made. One key challenge was to convince local governments to agree to standardized processes for the construction of water systems, regardless of the source of funding (with different donors engaged in this area). Achievement of consensus was a major victory for the SpO and region. It will reduce construction and maintenance costs and enhance prospects for long-term sustainability.

Nearly 1,100 sanitation units benefiting over 8,250 people were constructed and/or repaired through FY 2001. These facilities have improved sewage disposal, resulting in healthier conditions for local communities. In addition, school sanitation units, designed with students' input, have improved health and environmental education and practice, thus positively influencing students' family behavior and

developing a sound basis for the future. Seven new or improved community solid waste collection or recycling programs have also been developed, benefiting 111,683 people.

Natural Resource Management (NRM): Improving land management in the program's area, including protecting the internationally recognized biodiversity hotspot of the Cordillera del Cutucú, requires several lengthy steps. Documentation to strengthen the legal basis for conservation and development of this area has been completed. Substantial boundary definition work has been done for thousands of hectares. Six agreements with indigenous communities have also been signed and three more are under development to formalize their desire for communal land titling as precursors to rational land management for their communally owned areas. In FY 2002 we expect 35,000 hectares to be under NRM plans. Here a major challenge was building trust with the Shuar and Achuar indigenous communities, who are used to outsiders seeking to exploit petroleum or mining resources, rather than providing development assistance. Thanks to patience and steady effort, this has been achieved.

Local government strengthened: Agreements were reached with 7 mayors to strengthen their municipalities. An information system that identifies citizen priorities has been designed and municipalities have been given initial implementation training so local governments can establish adequate citizen consultative processes. One Cantonal Development Committee (CDC) has been set up in Macará. In addition, six local government entities received technical assistance to establish CDCs. All these efforts are designed to lay the basis for participatory and responsive local government operations, which will help build citizen support for Ecuadorian democracy.

518-012: Democracy

For most of the reporting period, the Mission's DG program was focused primarily on the establishment of a more effective and fair criminal justice system and fighting corruption. In June 2001 AA/LAC approved a revised DG strategy aimed at increasing citizen support for the democratic system (which continues to include key justice and anti-corruption components).

The most significant development during the period was the official commencement, in July 2001, of the New Code of Criminal Procedures ("NCCP" –developed with significant USAID support and promulgated in early 2000), with its emphasis on an accusatory, oral, and more transparent criminal justice system that provides stronger due process guarantees. Other achievements included timely institutional strengthening of the incipient Civic Anti-Corruption Commission, which actively investigated, revealed and recommended to the Attorney General sanctions for some of Ecuador's most notorious acts of corruption including recent alleged banking scandals and illegal government procurements.

While the Mission considers these major successes, we **did not meet expectations** with respect to implementation of the NCCP and to GOE sanctioning of corruption. Our efforts were constrained by factors outside our management control, including: a general lack of political leadership for justice reform within the Supreme Court; our continued inability to work with the Attorney General's Office (a key player in the new criminal process) due to serious allegations of corruption; and a lack of clear political direction and inter-institutional coordination in implementing the NCCP. Lastly, USAID has suffered staffing constraints in the DG area that have hampered Mission efforts to get more done. The Mission will increase staff in this (and other program) areas once FY 02 program funding is received. A performance summary follows.

Achievements

Increased number of convictions in anti-corruption cases: The Mission was not successful in achieving the FY 2001 benchmark "Judges agree with prosecutors on accusatory interpretation of indictment procedures". Although the Mission believes the commencement of the NCCP is a major

success, we are concerned by the confusion among the main justice sector actors on their new roles in implementing the code, and how this is undermining anti-corruption efforts and the criminal process more broadly. While some confusion at the outset of such a complex process is to be expected, and while implementation of the NCCP is forcing judges and prosecutors to clarify their roles, the Mission must continue to support capacity building to ensure proper NCCP implementation. To do so, the Mission is working closely with the Narcotics Affairs Section (NAS) and Ecuadorian counterparts to more formally diagnose problems in NCCP implementation, and will then use this diagnosis to tailor appropriate, high impact capacity building interventions for the principal justice sector actors.

Execution of the Criminal Procedures Code Implementation Plan in a minimum of three cities: The target of providing training under a formal Implementation Plan for the NCCP was not met because the plan was not developed. This came as a result of the suspension of USAID support to the Attorney General, who was charged with personal acts of corruption, and who was supposed to lead the creation of a GOE Justice Reform Commission responsible for the plan's development and implementation. Despite the lack of a formal plan and weak institutional coordination, the Mission successfully supported introductory NCCP training for 97% of Ecuador's penal court judges. This effort also resulted in the production of the first NCCP training manual for judges and the training of a core of 23 trainers, who are currently expanding this training to other justice sector actors. Beneficiaries lauded the activity for its high quality and the Mission will build upon this promising start.

Increased number of defendants receiving technical defense: Ecuador's public defense system is extremely weak. This undermines due process for the indigent accused and weakens the criminal process. To address this problem, the Mission supports strengthened non-governmental legal services for the poor. Our target for the reporting period was GOE adoption of NGO alternatives to state-sponsored public defense services. While not formally adopted, Mission partners completed a study analyzing NGO legal services options for the indigent accused. Recommendations from this study were subsequently included by the GOE in its draft Public Defense bill. If the bill becomes law, the Mission plans a significant increase in support for public defense in its revised DG strategy.

Fund established to support justice sector CSO activities: The justice fund, managed by the local NGO Fundacion Esquel, is fully functioning. During the reporting period eight additional projects were funded covering a range of areas critical to the administration of justice in Ecuador including: (a) judicial training on the NCCP; (b) a study of the NGO alternatives for legal defense services to the poor; (c) case management in the Constitutional Tribunal; (d) institutional support to the CCCC; (e) a human rights curriculum in a major university; (f) application of human rights legislation by local judicial actors; (g) due process application in domestic violence crimes; and (h) anti-corruption legal reforms. Many of these initiatives complement each other in having impacts on higher level justice sector results. In addition, these activities were implemented by private and public sector organizations that have formed strategic alliances for justice sector reforms. The target for number of alliances formed was greatly exceeded in FY 2001.

Sustainability programs implemented in three major Democracy NGOs: CLD, CEPAM, and CIDES implemented financial sustainability programs with excellent results exceeding programmed fund-raising targets. These local organizations continue to play major roles in promoting justice reform, inclusion of women and increasing access to justice by vulnerable groups.

The Mission's revised DG strategy - approved late in FY 2001- is broader in scope and more opportunity-based. FY 2001 achievements provide an important foundation for the continued implementation of justice and anti-corruption efforts. Prospects for achieving higher level justice results are improving with the recent election of a new Supreme Court President, who appears highly committed to justice reform and judicial independence. Support for the President from reform elements within the Court, high-level Executive Branch officials, and a Mission-supported, incipient civil society reform initiative make us

cautiously optimistic that reforms are achievable. In addition to its justice and anti-corruption efforts, the Mission has begun a major democratic local governance activity as part of the revised strategy.

518-013: Northern Border Development

This program is intended to improve the lives of the long-neglected population living along Ecuador's northern border, especially important given the potential negative impacts of the Colombian conflict on these groups. It supports improved community infrastructure and civil society strengthening as a means of promoting development. Although not all indicator targets were met, results achieved are meeting expectations and are a success story overall. Community members in poor rural areas served by the SpO unanimously report satisfaction with the results and with the work of our implementing partner/grantee, the International Organization for Migration, IOM. It is also evident from numerous public declarations by our GOE counterparts in UDENOR, the Foreign Ministry, and donor agency partners that the program is held in high esteem. FY 2001 was the first year of implementation of this SpO, and in less than nine months since program start-up, 15,707 inhabitants of Esmeraldas, Carchi and Sucumbíos have benefited directly from the activities carried out under the major program components of potable water, sanitation and civil society strengthening. A particularly significant accomplishment is the involvement and direct participation of communities and local governments in the negotiation and execution of sustainable social infrastructure projects. IOM began work with numerous NGOs and GOE agencies in land titling, organizational development, leadership training, drug education, community development, and services to indigenous populations that will reach more than the planned number of beneficiaries.

Achievements

Social infrastructure built/repaired: Construction/repair/expansion of five water systems was planned during FY 2001. Four were fully completed and a fifth was 90% completed. Field visits have confirmed that progress with community water systems is advancing satisfactorily, and seven additional systems are under construction for completion the first quarter of FY 2002. In fact, the total target number of systems has been significantly increased, from 10 planned to 24, greatly increasing the number of beneficiaries in 2002. In addition, a major sanitation project for the urban poor of Lago Agrio was well underway and will soon be serving 3,500 persons with a modern waste disposal system.

Roads and related infrastructure improved: IOM projected the construction of at least 20 miles of road along the remote northern border in Carchi Province by the end of FY 2001. This proved unrealistic due to the multiple topographic, soil, hydrological and environmental studies that had to be undertaken prior to the start up of construction. The full 54 miles of road planned along the northern border of Carchi Province will be completed by the end of FY 2002, as will replacement of three small bridges in other rural areas. Construction of pedestrian bridges in the remote Awa Indigenous Territory is also an important activity. While the very difficult access and related supply problems impeded the construction of the bridges five were completed by the end of CY 2001, slightly behind schedule.

Civil Society Strengthened: Land titling for both indigenous groups and individuals is a critical element to bringing stability and investment possibilities to border residents, but this is a lengthy and complex bureaucratic process (up to one year), with costly steps to legalize titles requiring the approval of several GOE agencies. This process is led by the Fondo Ecuatoriano Populorum Progressio (FEPP) in Sucumbíos, who in coordination with the Federación de Organizaciones Quichuas initiated the land titling process for some 750 Quichua families and 150 colonist families, covering over 24,000 hectares. Other CSO strengthening activities are being pursued in Esmeraldas with Afro-Ecuadorian organizations as well as Chachi and Awa indigenous communities, which involve training of leaders, organizational development, legalization of land, environmental education and commercialization of products.

As part of the Andean Counterdrug Initiative (ACI) and in support of the GOE's five year Northern Border Development Plan, USAID proposes to create a new multi-year Strategic Objective (SO) to replace and follow on to SpO 13. The new Northern Border Strategic Objective will constrain the growth of a coca/cocaine economy in Ecuador, by building upon the current program's successes in sustainable social infrastructure and community development and expanding geographic and programmatic coverage. New emphasis will be given to strengthening the performance of democratic institutions and developing licit income and employment opportunities, and to making more explicit how USAID's efforts in poverty reduction, environment and democracy, as well as the security, law enforcement, and public awareness efforts of other members of the USG Country Team, complement each other in constraining the spread of a coca/cocaine economy into Ecuador. As such, the Northern Border SO will be fully aligned with USG goals articulated in the ACI, including promoting democracy, fostering sustainable economic development, and reducing the supply of illegal drugs to the United States.

518-014: Poverty Reduction

This new Poverty Reduction strategic objective was approved in June 2001. Implementation mechanisms were signed in September 2001 and actual implementation began in FY 2002, **meeting expectations.**

Poverty and inequity are major threats to national (and potentially regional) stability, challenging the viability of Ecuador's already fragile democratic institutions. In this context a two-pronged USAID approach is called for: (1) a comprehensive program of microfinance sector development and (2) broader macroeconomic fiscal policy reform.

As a result of the economic and financial crises of the past few years, hundreds of thousands of Ecuadorians have lost formal sector jobs. The informal sector is their only alternative within Ecuador. USAID's experience both in Ecuador and worldwide indicates that microentrepreneurs, with access to limited resources, can evolve into a formidable force, contributing to job creation and poverty reduction. Unfortunately, Ecuador's microfinance sector has lagged well behind its Latin American counterparts due to financial instability and lack of leadership. Employing a proven institution-building methodology, USAID has begun to provide broad sectoral leadership in building a strong, viable and sustainable microfinance industry. USAID, collaborating with key GOE and donor counterparts, will create a facilitative policy and regulatory environment, and will work only with microfinance institutions demonstrating commitment to, and potential for, healthy growth. These efforts will result in a well-established, competitive industry serving increasing numbers of poor throughout the country with diverse financial services.

The second prong addresses macroeconomic fiscal policy reform, contingent on two key factors: 1) the GOE's political will to promote serious policy reform, strong political opposition notwithstanding; and 2) other donors (in particular the IFIs) responses to the country's rapidly changing economic and political context. Macroeconomic activities will include support to the GOE in tax administration and collection to help assure that adequate revenues are available to fund social services. Initial support for antitrust policy, competitiveness and financial sector debt restructuring will also be considered.

Links are being developed with the Southern Border Integration SpO, in order to coordinate and/or share information regarding microfinance activities that are ongoing under its Income Generation component. This will allow the Mission to better invest its resources, assure consistent implementation policy across the portfolio and avoid duplication of efforts. Similarly, microfinance sector links with the Mission's Northern Border SO are planned.

Achievements

FY 2001 tasks focused on completing design and obligation requirements for program start-up. This was accomplished with the selection and signing of contracts with Development Alternatives, Inc. (DAI) and a USPSC Senior Microfinance Specialist. Work since the beginning of FY 2002 has been directed toward implementation start-up efforts including establishing the DAI team and USPSC in-country; making initial contacts with several SO counterparts in the microfinance, bank supervision and macroeconomic fiscal areas; and identifying immediate, quick impact implementation tasks with the Ecuador's Internal Revenue Service and Customs Administration. Since this is a brand new SO (obligated for the first time on September 30, 2001) little has been accomplished as this report goes to press. The following activities will be carried out with FYs 2001 and 2002 resources and hence, are not included in Part V of this report.

Priority Activities – FY 2002

Increased Access to Microfinance Services

- 1. Policy and Supervision: A thorough assessment and analysis of current financial policies and regulations and their impact on the microfinance sector will be conducted, followed by a program with government entities to develop policies, regulations and norms for the microfinance industry.
- 2. Microfinance Sector Survey: Early in calendar year 2002, the SO Team will conduct a broad survey to determine microfinance service providers' strengths and weaknesses. An analysis of this information will result in a plan for technical assistance and training to microfinance institutions in the following areas: (a) Governance and Management Structures; (b) Organizational Development; (c) Operations; (d) Marketing; and (e) Management Information Systems.
- 3. Financing Growth: The SO Team is working on an enhanced DCA Guarantee for Banco Solidario (a key local partner) using \$300,000 to leverage \$5.7 million, and will begin exploring other possible mechanisms to provide increased debt and equity financing to the sector.

Macroeconomic Policies/Environment for More Equitable Growth Improved

- Debt Restructuring: The SO Team will continue to evaluate USAID's coordination of IFI support (IMF, BID, World Bank, CAF) of implementation of a Presidential Decree to restructure corporate debts from failed and failing banks. The SO Team plans to clarify possible mechanisms that might be used by this donor group for financing an international debt restructuring team.
- Tax Administration: Specific assistance is planned to support the Internal Revenue Service to institutionalize achievements reached so far and help improve the efficiency of customs collection. Among other support, technical assistance is planned to help develop a system for elaborating taxpayer financial statements and training will be provided to Customs' staff on GATT import valuation.
- 3. Competitiveness: In the coming months, the SO Team will review and analyze possible efforts in key areas that might facilitate increased competitiveness which is critical for sustaining Ecuador's dollarized economy. Possible areas include supporting a nationwide awareness campaign on the importance of increasing competitiveness as well as the need for the passage of antitrust legislation.

Ind	Indicator (all data should pertain to FY or CY 01)		J Respo	nse	Fund Account	Data Quality Factors				
	llar I: Global Development Alliance: GDA serves as a catalyst to mobilize the ideas, efforts, and resources of the public sector, corporate America and non-governmental ganizations in support of shared objectives									
1	Did your operating unit achieve a significant result working in alliance with the private sector or NGOs?	Yes	No	N/A X	N/A					
2	a. How many alliances did you implement in 2001? (list partners)		N/A	•	N/A					
	b. How many alliances do you plan to implement in FY 2002? 518-014 Poverty Reduction, 518-012 Democracy		2		DA/ESF	USAID/Ecuador plans to leverage \$5.7 million with \$300,000 using DCA guarantee authority with a micro-finance bank, Banco Solidario. Also, under the Democracy SC Mission will be leveraging some funds for legal reform.				
3	What amount of funds has been leveraged by the alliances in relationship to USAID's contribution?		N/A		N/A					
	ar II: Economic Growth, Agriculture and Trade: USAID works ticulture, (3) supporting microenterprise, (4) ensuring primary	•	_							
4	If you have a Strategic Objective or Objectives linked to the EGAT pillar, did it/they exceed, meet, or not meet its/their targets? 518-001 Biodiversity Conservation	Exceed	Met X	Not Met	DA					
4	If you have a Strategic Objective or Objectives linked to the EGAT pillar, did it/they exceed, meet, or not meet its/their targets? 518-011 Southern Border Integration	Exceed	Met X	Not Met	ESF					
4	If you have a Strategic Objective or Objectives linked to the EGAT pillar, did it/they exceed, meet, or not meet its/their targets? 518-013 Northern Border Development	Exceed	Met X	Not Met	INC					
US.	AID Objective 1: Critical, private markets expanded and streng	thened								
5	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X						
US.	USAID Objective 2: More rapid and enhanced agricultural development and food security encouraged									
6	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X	N/A					
US.	AID Objective 3: Access to economic opportunity for the rural	and urban	poor exp	anded and	made more	equitable				
7	Did your program achieve a significant result in the past year that is likely to contribute to this objective? 518-011 Southern Border Integration	Yes X	No	N/A	ESF	Data reflects 120 new communal credit entities established.				

Ind	Indicator (all data should pertain to FY or CY 01)		OU Response			Data Quality Factors				
USA	JSAID Objective 4: Access to quality basic education for under-served populations, especially for girls and women, expanded									
8	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X	N/A					
9	a. Number of children enrolled in primary schools affected by USAID basic education programs (2001 actual)	Male N/A	Female N/A	Total N/A	N/A					
	b. Number of children enrolled in primary schools affected by USAID basic education programs (2002 target)	N/A	N/A	N/A	N/A					
USA	AID Objective 5: World's environment protected									
10	Did your program achieve a significant result in the past year that is likely to contribute to this objective? 518-001 Biodiversity Conservation	Yes X	No	N/A	DA	Data reflects results achieved under SO1 Biodiversity Conserved.				
	a. Hectares under Approved Management Plans (2001 actual) 518-001 Biodiversity Conservation	1,398,800			DA					
11	b. Hectares under Approved Management Plans (2002 target) 518-001 Biodiversity Conservation and 518-011 Southern Border Integration	1,631,000			DA					
	r III: Global Health: USAID works to: (1) stabilize population, ther infectious diseases.	(2) improv	e child hea	ılth, (3) im	prove materr	nal health, (4) address the HIV/AIDS epidemic, and (5) reduce the threat				
12	If you have a Strategic Objective or Objectives linked to the Global Health pillar, did it/they exceed, meet, or not meet its/their targets? 518-002 Family Planning	Exceed X	Met	Not Met	DA	ENDEMAIN-99 (DHS) survey published in January 2001.				
12	If you have a Strategic Objective or Objectives linked to the Global Health pillar, did it/they exceed, meet, or not meet its/their targets? 518-011 Southern Border Integration	Exceed	Met X	Not Met	ESF					
12	If you have a Strategic Objective or Objectives linked to the Global Health pillar, did it/they exceed, meet, or not meet its/their targets? 518-013 Northern Border Development	Exceed	Met X	Not Met	INC					
USA	USAID Objective 1: Reducing the number of unintended pregnancies									
13	Did your program achieve a significant result in the past year that is likely to contribute to this objective? 518-002 Family Planning	Yes X	No	N/A	DA	ENDEMAIN-99 (DHS) survey published in January 2001.				

Indi	cator (all data should pertain to FY or CY 01)	OU Response		Fund Account	Data Quality Factors					
USAI	ISAID Objective 2: Reducing infant and child mortality									
14	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X	N/A					
USAI	USAID Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth									
15	Did your program achieve a significant result in the past year that is likely to contribute to this objective? 518-002 Family Planning	Yes X	No	N/A	DA	ENDEMAIN-99 (DHS) survey published in January 2001.				
USAI	USAID Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries									
16	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X	N/A					
USAI	D Objective 5: Reducing the threat of infectious diseases of	major pub	lic health	importance	9					
	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X	N/A					
Pillar	r IV: Democracy, Conflict and Humanitarian Assistance									
18	If you have a Strategic Objective or Objectives linked to the Democracy, Conflict and Humanitarian Assistance Pillar, did it/they exceed, meet, or not meet its/their targets? 518-011 Southern Border Integration	Exceed	Met X	Not Met		Target was not established for FY 2001, however technical assistance was provided to 6 local governments.				
18	If you have a Strategic Objective or Objectives linked to the Democracy, Conflict and Humanitarian Assistance Pillar, did it/they exceed, meet, or not meet its/their targets? 518-012 Democracy	Exceed	Met	Not Met X	DA/ESF					

Indicator (all data should pertain to FY or CY 01)	OU Response		Fund Account	Data Quality Factors					
JSAID Objective 1: Rule of law and respect for human rights of women as well as men strengthened									
19 Did your program achieve a significant result in the past year that is likely to contribute to this objective? 518-012 Democracy	Yes X	No	N/A	DA/ESF	USAID-supported new Criminal Procedures Code came into effect July 2001 and incorporates procedures to ensure due process.				
ISAID Objective 2: Credible and competitive political processes encouraged									
20 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X	N/A					
USAID Objective 3: The development of politically active civil soc	JSAID Objective 3: The development of politically active civil society promoted								
Did your program achieve a significant result in the past year that is likely to contribute to this objective?518-012 Democracy	Yes X	No	N/A	DA/ESF	8 public and/or private sector alliances have been formed for planning, drafting, implementing, monitoring enforcement and evaluating significant criminal justice sector reform.				
USAID Objective 4: More transparent and accountable governmen	nt institutio	ons encou	raged						
Did your program achieve a significant result in the past year that is likely to contribute to this objective? 518-011 Southern Border Integration	Yes X	No	N/A	ESF	Technical assistance was provided to 6 local governments to establish cantonal development committees to oversee local government performance/responsiveness.				
USAID Objective 5: Conflict									
Did your program in a pre-conflict situation achieve a significant result in 13 the past year that is likely to contribute to this objective? 518-013 15 Northern Border Development	Yes X	No	N/A	INC					
Did your program in a post-conflict situation achieve a 24 significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X	N/A					
25 Number of refugees and internally displaced persons assisted by USAID. 518-013 Northern Border Development	Male N/A	Female N/A	Total 320	INC	Program has provided basic infrastructure such as a drainage system at the temporary shelter in Lago Agrio, assisted with the voluntary return of refugees to Colombia, and also provided some humanitarian assistance, such as food and medical care.				
USAID Objective 6: Humanitarian assistance following natural or	USAID Objective 6: Humanitarian assistance following natural or other disasters								
26 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X	N/A					
27 Number of beneficiaries		N/A		N/A					

Table 2: Selected Performance Measures for Other Reporting Purposes

The information in this table will be used to provide data for standard USAID reporting requirements

Inc	Indicator (all data should pertain to FY or CY 01)		OU Response			Data Quality Factors				
Ch	Child Survival Report									
Glo	Global Health Objective 1: Reducing the number of unintended pregnancies									
1	Percentage of in-union women age 15-49 using, or whose partner is using, a modern method of contraception at the time of the survey. (DHS/RHS)	N/A			N/A					
2	Percentage of children age 12 months or less who have received their third dose of DPT (DHS/RHS)	Male N/A	Female N/A	Total N/A	N/A					
3	Percentage of children age 6-59 months who had a case of diarrhea in the last two weeks and received ORT (DHS/RHS)	Male N/A	Female N/A	Total N/A	N/A					
4	Percentage of children age 6-59 months receiving a vitamin A supplement during the last six months (DHS/RHS)	Male N/A	Female N/A	Total N/A	N/A					
5	Were there any confirmed cases of wild-strain polio transmission in your country?		N/A		N/A					
Glo	bal Health Objective 3: Reducing deaths and adverse health	outcomes	to women	as a resu	It of pregnan	cy and childbirth				
6	Percentage of births attended by medically-trained personnel (DHS/RHS)		N/A		N/A					
Glo	Global Health Objective 5: Reducing the threat of infectious diseases of major public health importance									
7	a. Number of insecticide impregnated bed-nets sold (Malaria) (2001 actual)	N/A			N/A					
	b. Number of insecticide impregnated bed-nets sold (Malaria) (2002 target)	N/A		N/A						
8	Proportion of districts implementing the DOTS Tuberculosis strategy		N/A		N/A		N/A			

HI	HIV/AIDS Report									
Glo	Global Health Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries									
	a. Total condom sales (2001 actual)	N/A			N/A					
9	b. Total condom sales (2002 target)		N/A		N/A					
10	a. Number of individuals treated in STI programs (2001 actual)	Male N/A	Female N/A	Total N/A	N/A					
10	b. Number of individuals treated in STI programs (2002 target)	N/A	N/A	N/A	N/A					
11	Is your operating unit supporting an MTCT program?		N/A		N/A					
12	Number of individuals reached by community and home based care programs (2001 actual)	Male N/A	Female N/A	Total N/A	N/A					
'2	b. Number of individuals reached by community and home based care programs (2002 target)	N/A	N/A	N/A	N/A					
13	a. Number of orphans and vulnerable children reached (2001 actual)	Male N/A	Female N/A	Total N/A	N/A					
	b. Number of orphans and vulnerable children reached (2002 target)	N/A	N/A	N/A	N/A					
4	a. Number of individuals reached by antiretroviral (ARV) treatment programs (2001 actual)	Male N/A	Female N/A	Total N/A	N/A					
14	b. Number of individuals reached by antiretroviral (ARV) treatment programs (2002 target)	N/A	N/A	N/A	N/A					

Victims of Torture Report									
Democracy, Conflict, and Humanitarian Assistance Objective 7: Providing support to victims of torture									
Did you provide support to torture survivors this year, even as part of a larger effort?	N/A			N/A					
16 Number of beneficiaries (adults age 15 and over)	Male N/A	Female N/A	Total N/A	N/A					
17 Number of beneficiaries (children under age 15)	Male N/A	Female N/A	Total N/A	N/A					

Global Climate Change									
USAID Objective 5: World's environment protected	USAID Objective 5: World's environment protected								
18 Global Climate Change: See GCC Appendix									

STRATEGIC OBJECTIVE 1 - BIODIVERSITY CONSERVATION

Strategic Objective: Biodiversity conserved in selected protected areas and their buffer zones.

Timeframe: FY2003

Partners: CARE, TNC, Charles Darwin Foundation, INEFAN/Min.Env., Spanish Tech Coop Agency, JICA

Indicators: Hectares of biologically important area conserved

IR 1: Strengthened capacity of targeted NGOs and CSOs active in biodiversity conservation. *

Timeframe: 2003

Partners: CARE, TNC, Ecociencia, Jatun Sacha, CEDENMA, WCS, FER, FUNAN, Fundación Natura, Arco Iris, World Bank, GTZ

Indicators: (a) Increased financing of local partners by outside (non-USAID) sources. (b) Number of NGOs/CSOs adequately strengthened in their administrative and technical capability.

IR 2: Economically viable natural resource management (NRM) practices adopted. *

Timeframe: FY2003

Partners: TNC, CDF, CARE, Ecociencia, Jatun Sacha, CEDENMA, WCS, FER, FUNAN, Fundación Natura, Arco Iris, Dep. of the Interior, PC, World Bank, GTZ, Spanish Tech Coop, IDB, INEFAN/Min.Env.

Indicators: (a) Percentage of households in

partner communities* adopting improved NRM

practices. (b) Hectares of land* under

participatory NRM plans.

IR 3: Key policies and legal frameworks introduced and/or implemented to conserve biodiversity. *

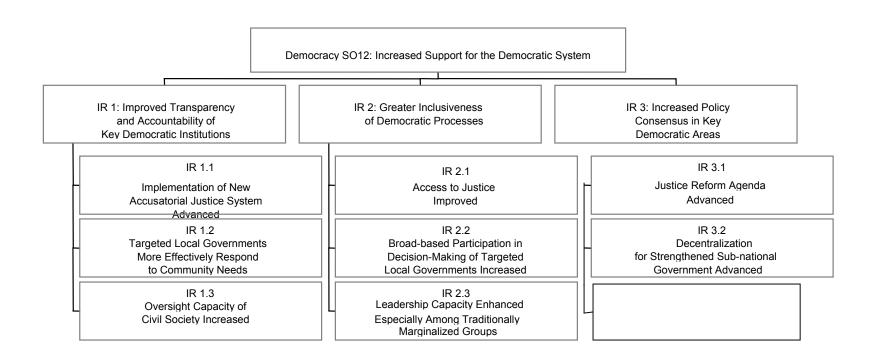
Timeframe: FY2003

Partners:TNC, CDF, CARE, Ecociencia, Jatun Sacha, CEDENMA, WCS, FER, FUNAN, World Bank, GTZ, INEFAN/Min.Env.

Indicators: (a) Increased number of hectares under legal title in the buffer zones outside of selected protected areas. (b) Key policies, legal frameworks, and enforcement mechanisms prepared, modified, and introduced at the appropriate government level to improve biodiversity conservation*.

^{*} In selected protected areas and their buffer zones.

Strategic Objective 12 - Democracy



STRATEGIC OBJECTIVE 14 - POVERTY REDUCTION

INCREASED ECONOMIC OPPORTUNITIES FOR THE POOR

Timeframe: FY 2005

Illustrative Indicator *: Increased economic resources and employment available to the poor, through expanded microfinance sector support and increased social sector spending.

Partners: Central Bank, Ministry of Finance, Superintendency of Banks, Internal Revenue Service, National Financial Corporation, NGOs, Credit Unions and Commercial Banks

IR 1: Increased Access to Microfinance Services.

Timeframe: FY 2005

Partners: NGOs, Credit Unions and Commercial Banks

Illustrative Indicators *:

- 1. Number of microfinance clients served increased by at least 300 percent
- 2. Number of microfinance service points increased by at least 100 percent

IR 1.1: Facilitative Financial Policy and Regulatory Environment Created

IR 1.2: Strong, Sustainable Microfinance Institutions Developed

IR 1.3: Availability of debt and equity financing for microfinance institutions expanded.

IR 2: Macro Economic Policies/Environment for more equitable growth improved.

Timeframe: FY2005

Partners: Central Bank, Ministry of Finance, Superintendency of Banks, Internal Revenue Service, National Financial Corporation

Illustrative Indicators *:

- 1. Mechanisms institutionalized to make GOE budgetary information (e.g. revenues, expenditures, debt commitments) publicly available.
- Key macroeconomic policy reforms developed (e.g. anti-trust legislation and/or other legislation to promote investment and job creation and increase competitiveness to help Ecuador prepare for expanded Andean free trade).
- 3. GOE revenue collection increased by X%.

^{*} Illustrative indicators will be refined with contracted for SO implementation

SPECIAL OBJECTIVE 11 - BORDER INTEGRATION

Special Objective: Improved social and economic conditions of inhabitants along the Peru-Ecuador border thereby promoting border integration. **Timeframe:** FY 2005 – Five years of implementation

Partners: CARE and its partners, Ministry of Foreign Relations, Ministry of Health, Ministry of Housing, Ministry of Environment, municipalities, World Bank, IDB, Spanish, German and Holland development agencies; Ecuador coordinator of the Bi-national Commission

Indicator: Number of beneficiaries in the target region whose lives are improved by participation in income generation activities, access to social services, adoption of improved NRM practices, and/or more effective local governments.

IR 1: Increased access to major

infrastructure.

Timeframe: FY 2005

Partners: Corporacion Andina de Fomento, World Bank, IDB

Contributes to Binational Plan Program A for "Binational Social and Productive Infrastructure" **IR 2:** Expanded incomegenerating opportunities for small and micro entrepreneurs.

Timeframe: FY 2005 **Partners:** CARE and its

partners

Contributes to Binational Plan Program B for "Construction and Improvement of Ecuadorian and Peruvian Productive Infrastructure"

Indicator: (a) # of communal credit entities established (b) # of small and microentrepreneurs receiving loans from private banks (% women). IR 3: Increased availability and access to social services, with emphasis on health, water, and sanitation.

Timeframe: FY 2005

Partners: CARE and its partners, Ministry of Housing, Ministry of

Health, PAHO

Contributes to Binational Plan Program C for "Construction and Improvement of Ecuadorian and Peruvian Social Infrastructure and the Environment"

Indicator: (a) # of new/ improved potable water systems. (b) # of new/improved sanitation units. (c) # of new/ improved community garbage collection or recycling programs. Number of beneficiaries for each one.

IR 4: Improved natural resource management in selected areas along the border.

Timeframe: FY 2005

Partners: CARE and its partners,

Ministry of Environment

Contributes to Binational Plan Program C for "Construction and Improvement of Ecuadorian and Peruvian Social Infrastructure and the Environment"

Indicators: (a) Policy documents developed which strengthen the legal basis for conservation and development in the Cordillera del Cutucu and its area of influence (b) # of hectares of land in selected areas under NRM plans. (c) # of hectares under legal title in or near the buffer zones. Number of beneficiaries for (b) and (c).

IR 5: Increased private investment in the border

area.

Timeframe: FY 2005
Partners: Corporacion
Andina de Fomento,
World Bank, IDB

Contributes to Binational Plan Program D for "Private Investment

Promotion"

 $\label{eq:ccircle} \textbf{CC IR} \hspace{0.2cm} \textbf{Improved capacity of local governments to plan projects and implement services}.$

Timeframe: FY 2005

Partners: CARE and its partners, and selected municipalities

Indicator: (a) Number of local governments with adequate consultative processes in operation; (b) # of local governments that have improved service delivery management

SPECIAL OBJECTIVE 13 - ECUADOR NORTHERN BORDER DEVELOPMENT

Special Objective: Improved quality of life of the population living along the northern border

Timeframe: FY 2002

Partners: Ministry of Foreign Relations, International Organization for Migration (IOM), Unidad Ejecutora de Desarrollo de la Región Norte, Ministry of Health, Fondo Ecuatoriano Popularum Progreso (FEPP), Catholic Church Office of Human Rights, Defensoría del Pueblo of Lago Agrio, Altropico Foundation, Awa, Chachi, Cofán, municipalities, NGOs, UNHCR, and other donors.

Indicators: (a) No. of beneficiaries in the target region whose lives are improved by participation in access to social and

infrastructure services.

IR 1: Health conditions improved in vulnerable villages and towns.

Timeframe: FY 2002 **Partners:** IOM, municipalities, Ministry of Health, indigenous and afro-Ecuadorian communities, and

NGOs.

Indicator: (a) # of village potable

water systems

constructed/repaired/expanded in target areas, (b) # of sewerage systems constructed/repaired/ expanded in target areas. **IR 2:** Roads and related infrastructure improved in vulnerable areas.

Timeframe: FY 2002

Partners: IOM, municipalities, indigenous and afro-Ecuadorian communities, and NGOs

Indicators: (a) # of miles of roads constructed/repaired, (b) # of pedestrian and vehicular bridges constructed/repaired.

IR 3: Civil society strengthened to better respond to local needs and to the challenges of Plan Colombia.

Timeframe: FY 2002

Partners: IOM, municipalities, indigenous and afro-Ecuadorian communities, FEPP, Altropico Foundation, Catholic Church, Defensoría del

Pueblo.

Indicator: (a) # of beneficiaries receiving land titles, (b) # of beneficiaries receiving information on possible environmental impacts of Plan Colombia and productive activities; (c) # of beneficiaries receiving information and/or

assistance on drug prevention.

IR 4: As appropriate, needs of displaced persons met without destabilizing the local social infrastructure.

Timeframe: FY

Partners: IOM, GOE, municipalities, indigenous and

afro-Ecuadorian communities,

UNHCR.

Indicators: (a) # of displaced persons assisted, (b) # of receptor communities with new/improved basic infrastructure and social

services.

NOTE: IR4 activities will be implemented in the event that a large scale of migration occurs

PART VII: ENVIRONMENTAL COMPLIANCE

- 1. New or amended IEEs or EAs During FY 2001, the Mission revised its Democracy SO and developed a new Poverty/Microfinance SO. Additionally, implementation of the Southern Border Development program accelerated and new natural resource activities were proposed. Additional activities are planned under the Environment SO, and as appropriate, Initial Environmental Examinations (IEEs) will be prepared and submitted. As per the threshold decisions, Terms of Reference (TORs) and/or subsequent Environmental Assessments (EAs) were prepared and submitted for the Northern Border SpO, the Southern Border SpO, and the Galapagos National Park Comprehensive Ecotourism Plan and associated Programmatic EA. Additional IEEs are being developed for expanded activities in the Northern Border and the Southern Border programs.
- 2. **Compliance with Previous IEEs or EAs**: The Mission is in compliance with all previously approved IEEs, Categorical Exclusions (CEs) and EAs. The following table displays the Threshold Decisions previously issued for these activities:

ACTIVITY	Threshold Decision	IEE No.
SO1 Biodiversity Conservation 518-0126		
Charles Darwin Research Station Galapagos National Park	Negative Determination (ND)	LAC-IEE-99-08- 5/4/99
Galapagos National Park Charles Darwin Research Station	EA required; ND	LAC-IEE-00-26 5/24/00
CARE/SUBIR	CE; ND	LAC-IEE-00-51 9/29/00
SpO11 Border Integration		
Peru-Ecuador Border Region Development (598-0858) PSUR	CE; ND; Positive Determination; EA required	LAC-IEE-00-50 9/15/00
SO12 Democracy		
Democracy Support (518-012)	CE	LAC-IEE-01-17
SpO13 Northern Border		
Northern Border Development Activity (518-013)	CE;ND;PD; EA required	LAC-IEE-00-03 11/17/00
SO13 Northern Border	IEE pending strategy approval	
SO14 Poverty Reduction MicroEnterprise		
Poverty Reduction	CE	LAC-IEE-01-010